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Bleakley, Paul ORCID logoORCID: <https://orcid.org/0000-0002-2512-4072> (2019) Big fish, small pond: NGO–corporate partnerships and corruption of the environmental certification process in Tasmanian aquaculture. *Critical Criminology*, 28 (3) . pp. 389-405. ISSN 1205-8629 [Article] (Published online first) (doi:10.1007/s10612-019-09454-8)

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# BIG FISH, SMALL POND: NGO-CORPORATE PARTNERSHIPS AND THE CORRUPTION OF THE ENVIRONMENTAL CERTIFICATION PROCESS IN TASMANIAN AQUACULTURE

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*Critical Criminology*

## ABSTRACT

Aquaculture is the single-largest agribusiness in the Australian state of Tasmania, with local company Tassal the foremost producer of farm-raised salmon in the country. Tassal has come under considerable criticism for its environmental impact, despite being consistently certified as a sustainable business by the World Wildlife Fund (WWF) and Aquaculture Stewardship Council (ASC) since 2014. This article argues that these endorsements are the result of a corrupt corporate arrangement that is purposefully designed to mislead consumers. It examines the considerable payments to both NGOs from Tassal, as well as the questionable nature of the certification process administered by the ASC.

## INTRODUCTION

In the contemporary marketplace, purchasing habits are being driven by concerns about sustainability more than ever before. Demand for products that do not leave a negative environmental footprint come as a by-product of an ever-increasingly consumer awareness of the impact that businesses can have on the ecological systems that they interact with (Horne 2009). Businesses are acutely aware of such societal trends, and many companies have attempted to satisfy the community's desire for eco-friendly products with clear declarations that their production-model is environmentally-sustainable. Branding is a central element of this consumer-facing strategy: research suggests that a product which clearly identifies as being certifiably sustainable will be more appealing to buyers than one that is not (Borin et al. 2011). As such, obtaining these environmental certifications has become an essential aspect of advertising a product and is often used to set businesses apart from their competitors in an increasingly crowded marketplace. In sectors that have traditionally attracted criticism for their environmental practices like aquaculture – better known as fish farming – being able to display sustainability certification has become an important commodity that gives businesses an advantage with consumers and, arguably more importantly, the wholesalers who stock their product (Potts and Haward 2007). As the community push for sustainability has increased, these certifications have become more important as the perception that a business is not operating in accordance with eco-friendly principles poses a considerable threat to their business relationships and profit margins.

It is this perceived threat to the ongoing commercial viability of businesses that is at the root of corruption in the environmental certification process. While government plays some role in enforcing a certain level of environmental standards on companies, it is typically a third-party actor like the World Wildlife Fund for Nature (WWF) that is responsible for signing off on a business's sustainability; in doing so, it allows businesses to display the highly-recognisable WWF logo on their packaging to advertise to consumers that they have been certified (Bush et al. 2013). There are significant profit implications that businesses can derive from incorporating this labelling and, as such, environmental certification has become a much sought-after commodity in many industries. It is the contention of this article that the clear fiscal value of environmental certification labelling necessitates a more regulated approach to the process than currently exists. Using the case of Tasmanian aquaculture organisation Tassal as a reference point, it will be argued that the current system of certification by non-governmental organisations (NGOs) is vulnerable to considerable corruption. At the heart of the current system is the financial relationship that exists wherein organisations pay significant amounts of money to NGOs like the WWF each year to maintain their certification and use labelling advertising their sustainability certification; it is argued that the existence of such a commercial relationship undermines the NGOs ability to independently assess a business's practices, and that repeatedly signing off on their certification in spite of questionable environmental actions is tantamount to committing a fraud on consumers.

## METHODOLOGY

To make the argument that environmental certification processes require an enhanced level of review and regulation to prevent corruption taking place, it is first essential to prove that use

of sustainability labelling offers a clear financial benefit to businesses. Doing so requires an intersectional method which draws on the type of consumer research typically conducted in the discipline of business studies. While there is not a great deal of material that explicitly covers the impact of environmental certification labelling on purchasing of salmon – which is the central focus of this article – there has been considerable discussion of the impact of environmentally-conscious consumer habits more generally that refer to the use of such labels as a form of advertising (Bush et al. 2013; Schaufele and Hamm 2017). Most of these research studies have drawn on first-hand market research techniques like focus groups or ethnographic observation to reach their conclusions about the influence of certification on buyers' perceptions of a product, if not the profit margins for the company in general. Nevertheless, these studies provide insight into the reasons why aquaculture corporations consider it so essential to their business-model to pay a considerable fee to be re-certified each year.

In recent years, aquaculture company Tassal has become a focal point for much of the discussion around environmental sustainability in the Tasmanian fish farming industry. Essentially, the position of Tassal is that of a company with a polarising reputation on eco-friendly business practices: while certified by the WWF and routinely applauded by the organisation as a leader in sustainability in Tasmania, reports conducted by alternative independent sources reflect a company with a questionable record of detrimental environmental impact (Environment Tasmania 2017; Murphy-Gregory 2018). Tassal's record of unsustainable practices, even after achieving its certification from the WWF and while continuing to display their logo on its packaging, calls into question the NGOs system of determining which companies qualify for accreditation. It is important to engage with primary source material like these independent reports on Tassal to provide evidence that the WWF's certification does not reflect the reality of Tassal's practices as observed by other reliable

environmental organisations; this is central to the article's primary argument as the discrepancies between the WWF's position on Tassal and that of other NGOs could be seen as evidence that the existing system of paying for certification may influence decisions over whether to certify in the first place. By using a combination of primary source materials to provide a more thorough portrayal of Tassal's practices, it is possible to go beyond the view of the company as presented by the WWF and determine if better safe-guards need to be put into place to ensure that consumers have an accurate understanding of a product's claims to environmental sustainability.

## LITERATURE REVIEW

Green criminology is an interdisciplinary field of study that is a relatively new addition on the spectrum of criminology research. The first use of the term can be found in a review article by Michael J. Lynch from 1990 in which he attempted to re-frame the paradigm of ecologically-oriented crime for the new decade; Lynch went on to expand on his conceptualisation of 'green criminology' in *Corporate Crime, Corporate Violence* – a book published in collaboration with Nancy Frank in 1992. Lynch and Frank's original construction of green criminology focuses on the factors underpinning ecological crimes, and suggests that the study of deviant behaviours in this realm should be considered an extension of radical criminology's focus on political economic theory. Scholars of green criminology consider there to be a direct through-line connecting corporate malfeasance with environmental harm. It is the contention of those affiliated with the green criminology movement that traditional criminological research has failed to consistently perceive environmental or ecological damage as a subject worthy of study; green criminology pioneers like Lynch and Paul B. Stretesky (2014) have called for a

‘revolution’ in the discipline that would serve to reassert the importance of studying environmental crimes as a significant form of harm affecting modern society.

Other criminologists, such as Mark Halsey (2004), consider the scholarly research underpinning green criminology to be inherently problematic. Halsey argues that the foundation principles of green criminology are built on an inextricably Marxist platform: in short, that the majority of environmental damage comes from privileging ‘the economic sphere over other social structures and issues’ (Lynch and Stretsky 2003: 231). In Halsey’s view, this Marxist framing is reductive and neglects the perspective that environmental damage is as much driven by the ‘micropolitical and heterogenous practices, thoughts and routines’ of the general population as it is corporate structures (2004: 843). It is Halsey’s position that traditional green criminology presents an over-simplified perspective on environmental deviance, and that it ignores the complexities of humanity’s interaction with the environment by adhering to the false binary narrative of man versus nature. In doing so, green criminology advocates what Halsey advocates for a fundamentally unsustainable goal wherein humanity and the environmental can live entirely in harmony. Again, Halsey is critical of this concept and suggests that it is yet another example of green criminology’s impracticable tendency towards idealism.

This sort of intra-disciplinary conflict is almost inevitable in emerging fields such as green criminology, as academics attempt to negotiate previously undefined terrain in order to establish a generally agreed upon set of conceptual parameters. Rob White notes a range of perspectives or ‘eco-philosophies’ that can be observed in the field of green criminology: these include ‘anthropocentric (or human-centred); biocentric (or species-centred); and ecocentric

(or socio-ecological-centred)’ (2013: 34). While each of these perspectives invariably prioritise a different set of actors in the human-environment relationship, each is predicated on some variation on the concept of ecological citizenship. Ecological citizenship refers to the belief that ‘humans beings have obligations to animals, trees, mountains, oceans, and other members of the biotic community ... [and] have to exercise extreme caution before embarking upon any project which is likely to have the possibility of adverse effects upon the ecosystems concerned’ (Smith 1998: 99). Essentially, this article will focus on a combination of the anthropocentric and ecocentric perspectives on green criminology; while it does not deny the importance of the biocentric approach to the field of study, its primary focus is on the corporate actors in the socio-ecological system as well as the ecological citizenship of environmentally-conscious consumers. It is this subject focus that dictates the conceptualisation of green criminology accepted by this article, however it is nevertheless recognised that the terms and parameters guiding green criminology continue to be negotiated and remain in dispute within the discipline itself.

While a range of studies suggest that eco-labelling plays a relatively minor role in driving consumer habits, it is the widespread perception in the business community that environmentally-sustainable products are more marketable to consumers (Young et al. 1999). Indeed, there is limited research in the Australian marketplace which supports the contention that consumers take sustainability into account when making purchasing decisions, at least when it comes to salmon. According to a survey conducted in 2017, as many as 14 percent of consumers claimed to have stopped eating salmon in the preceding six months due to concerns regarding the environmental impact of the aquaculture industry (Minshull and Browne 2017). It is this perception that salmon farming is fundamentally unsustainable that drives the desire for environmental certification; while this may appear at first to be a less persuasive argument,



it is the contention of this article that the actual profitability of certification is less important than the *belief* that such labelling contributes to greater sales.

Of particular relevance to this study is the use of eco-labelling in the fisheries or aquaculture market, a field in which sustainability certification has taken hold more so than in many comparable industries. Potts and Haward (2007) assert that the importance of eco-labelling in fisheries can be traced to the foundation of prominent NGO the Marine Stewardship Council (MSC) in 1996; it is their contention that the demand for third-party environmental certification in this industry can be primarily attributed to pressure to conform to voluntary environmental guidelines exerted by a powerful MSC. While the MSC does not oversee the aquaculture operations managed by Tassal, it serves as a precursor to the comparable Aquaculture Stewardship Council (ASC) which – like the MSC – began as an offshoot of the WWF. Even though the MSC officially separated from the WWF parent organisation in 1999, research suggests that many of the same issues observed in the ASC/WWF are apparent in the certification process managed by the MSC. Bush et al. (2013) identify several key issues undermining the credibility of MSC certification that also apply to the ASC certification process. Primarily, it is noted that there is little incentive for ongoing improvement in the MSC process once certification has been achieved; this fosters a situation wherein an attitude of adhering to the bare minimum of sustainability standards prevails.

In spite of this, Kalfagianni and Pattberg (2013) assert that the certification processes administered by the MSC and ASC are some of the more stringent and strict in the context of global third-party certification organisations; also noting the relative strictness of the MSC and ASC processes, Bush et al. (2013) caution that certification has proven to have a limited

contribution when it comes to overall ecological sustainability and should not be considered an end in itself, but rather one aspect of a wider system of environmental control. Central to each of these articles regarding the MSC and ASC auditing process is the perspective that obtaining certification does not inherently mean a company is environmentally-sustainable from an ecological standpoint. Instead, the literature suggests that certification simply serves as an acknowledgment of minimum standards being met; in the Tassal/ASC/WWF tripartite relationship, even the existence of those minimum standards is thrown into doubt as a result of the questionable circumstances surrounding certification.

## DISCUSSION

### [Aquaculture in Tasmania: a case study of Tassal](#)

Since salmon farming first commenced in Tasmania more than thirty years ago, the business of aquaculture has steadily risen to become one of the state's most important primary industries. Unlike many of Tasmania's most identifiable exports, wild salmon are not native to the region: initially introduced to Tasmanian rivers from the United Kingdom for the purposes of sport-fishing in the early 1800s, the first controlled salmon hatcheries in Tasmania began operating in 1984 after the foundation of Saltas, a government-industry combine (Tasmanian Salmon n.d.). Despite not enjoying an existing reputation for salmon harvesting, the Tasmanian industry experienced a significant boom shortly after commencing operation; this exponential business growth has been largely attributed to the perception that the virgin environmental conditions and clean waters of Tasmania result in a better quality of fish product (Wallis 2011). In the 2016/17 fiscal year, the value of Tasmanian fisheries and aquaculture increased by 4 percent to \$947 million, of which farm-raised salmon made up \$739 million (ABARES 2018: 18). It is estimated that salmon farming accounts for roughly 2 percent of Tasmania's Gross

State Product (Minshull and Browne 2017). Alongside the considerable fiscal injection to the Tasmanian economy derived from this export revenue, aquaculture is one of the few industries in the state in which there is consistently predicted growth in employment opportunities. It is estimated that aquaculture is responsible for as much as 1.2 percent of employment in Tasmania, with two companies – Tassal and Huon Aquaculture – providing 0.8 percent of the state’s total employment (Minshull and Browne 2017: 2). While it is one of Australia’s smallest state population-wise, data suggests that Tasmania employs more people in the aquaculture industry than any other in the country with 1585 jobs – placing them significantly ahead of second-place New South Wales with only 675 aquaculture jobs (ABARES 2018: 28).

Aquaculture in Tasmania is dominated by three major companies: Petuna, Huon Aquaculture and Tassal. While each play a significant role in the industry the market-leader in salmon production is undoubtedly Tassal, an organisation that employs roughly 79.5 percent of aquaculture workers across the state and boasts the industry’s largest export revenues (Ryan and Cresswell 2017). Founded in 1986 – shortly after the commencement of salmon farming in Tasmania – Tassal has expanded its production capacity considerably in intervening years. It currently operates three hatcheries and six off-shore marine breeding regions with the capability of producing up to 10 million fish each year (Tassal n.d.). From at least 2012 Tassal has achieved global recognition as a leader in aquaculture sustainability, driven to a considerable extent by their partnership with the WWF. Having drawn on expert advice and ongoing auditing provided by the WWF, Tassal became the first producer of farmed salmon in the world to obtain the coveted ASC certification in November 2014 (Tassal 2014). Tassal was able to achieve this industry-first accreditation by implementing a cross-section of changes to its business-model as recommended by its partners in the WWF; these procedural alterations included changing the kind of food provided at farms, to committing to monitoring the use of

antibiotics in their fish stocks (Tassal 2014). Given Tassal's position as market-leader in Australian-produced salmon, its attainment of ASC certification meant that more than 50 percent of salmon consumed in Australia would be verified as having been responsibly and sustainably sourced.

In spite of its claims to be the most sustainable provider of farmed salmon in Australia and as a model for responsible production on a global scale, Tassal has attracted considerable criticism for engaging in environmentally harmful business practices. Much of this criticism has focused on Tassal's operations in Macquarie Harbour, situated on Tasmania's west coast. In an effort to expand Tasmanian aquaculture's production capabilities and support the booming industry, the Tasmanian government approved a significant increase in salmon production in Macquarie Harbour in May 2012, raising the accepted levels of production by 360 percent from 8 000 tonnes to 29 500 tonnes (Environment Tasmania 2017). Over the course of the year, this exponential increase in the fish population resulted in a significant fall in dissolved oxygen levels in Macquarie Harbour from 40 percent to 5 percent; while Tassal's rivals Petuna and Huon Aquaculture petitioned the state government to reduce the approved fish population at the site in view of environmental concerns, Tassal continued to operate at the approved levels in Macquarie Harbour and refused to join other industry leaders in voluntarily reducing stocks at the lease-site (Environment Tasmania 2017). The ramifications of persistent over-stocking at Macquarie Harbour have had a considerable environmental impact on the region, as well as the health of fish stocks themselves: the death of up to 85 000 fish in May 2015 was directly attributed to the substantial drop in dissolved oxygen levels, while studies conducted shortly thereafter indicated the presence of a rare bacteria in the harbour's salmon population that can be caused by deteriorating environmental conditions (Salmon 2018). A report compiled by the Tasmanian Environment Protection Authority (EPA) in 2018 found that the degraded

environmental conditions in Macquarie Harbour continued to have a major impact on fish populations: it found that 1.35 million fish had died across the leases held by Tassal, Petuna and Huon Aquaculture over the course of six months in 2017/18 (Galea et al. 2018).

Tassal's operations in Macquarie Harbour and their refusal to adjust their business model to respond to the apparent environmental impact of over-farming at the site prompted an investigation by the Australian Broadcasting Corporation (ABC) program *Four Corners* which aired on 31 October 2016. Aside from exploring the conflict within the Tasmanian aquaculture industry over farming capacities at Macquarie Harbour, reporter Caro Meldrum-Hanna also investigated the corporate partnership between Tassal and the WWF; this line of inquiry was intended to determine why Tassal, a company that appeared to have little regard for the impact of their actions at Macquarie Harbour, was held in esteem by a prominent environmental NGO like the WWF for their commitment to sustainability (Meldrum-Hanna 2016). *Four Corners* revealed that the corporate partnership between the WWF and Tassal formed in 2012 involved a series of payments to the WWF from Tassal amounting to as much as \$500 000 per annum (WWF 2016). It revealed that the corporate partnership with the WWF had initially given Tassal exclusive rights amongst Tasmanian aquaculture companies to use the WWF logo on their packaging (Meldrum-Hanna 2016). *Four Corners* also reported that Tassal paid the ASC an auditing fee of \$125 000 each year to maintain certification, as well as royalties of between 0.3 percent and 0.5 percent of sales profits for use of the ASC logo; this amounts to an estimated \$789 690 payment to the ASC each year, in addition to the \$125 000 in audit fees (Environment Tasmania 2017: 10). Considering the significant sums of money involved in the Tassal/WWF/ASC tripartite relationship, the revelations aired by *Four Corners* called into question Tassal's reputation as a leader in sustainability in aquaculture. Given the perceived importance of sustainability as a factor in sales in the aquaculture industry, the process of

payment-for-certification may in fact constitute a more serious form of corporate misconduct – even fraudulent, if it is found that certification should not or would not have been offered if not for the substantial profits involved.

### [Tassal, the WWF and the ASC: a corrupt corporate relationship?](#)

While the formation of NGO-corporate partnerships is not a recent phenomenon, recent years have seen such relationships become increasingly diversified and complex. Molina-Gallart notes that ‘until the early 2000s, NGO-corporate engagement was dominated by funding relationships and NGO-corporate campaigns’ (2014: 42). These collaborative relationships have evolved in recent years in response to a combination of extraneous factors including a growing financial burden on NGOs and a heightened call for corporate social responsibility in the business community (Potts and Haward 2007). Under this newly-revised paradigm of engagement, simple corporate sponsorship of NGOs has been replaced by multifaceted operations in which NGOs take an active role in influencing business practices. It is this form of embedded corporate engagement that is reflected in the relationship between the WWF and Tassal. Rather than taking the limited step of passively offering a financial donation to the WWF, Tassal instead forged an ongoing partnership with the NGO wherein WWF experts assisted Tassal in transitioning to sustainable practice at a cost of \$500 000 each year (WWF 2016). It is the transactional nature of this partnership that intrinsically complicates the traditional NGO-corporate relationship on this occasion. Instead of offering funding for the WWF’s projects, Tassal’s payment is proffered in return for a service and to secure an exclusive relationship with a prominent NGO; the WWF’s willingness to enter into the realm of corporate consultancy for profit is indicative of the NGO being ‘ill-equipped to make well-informed

decisions regarding the risks corporate partnerships pose... [and] awareness of the different relative positions of power of NGOs and corporations' (Molina-Gallart 2014: 42-43).

It is the traditional position under the Marxist tenets of green criminology that corporate actors are the drivers of most ecological harm. In this model, corporations assume a position of power based on their ability to use their accrued capital to exert influence and secure support (Halsey 2004). While the Marxist perspective of green criminology has been challenged in some sectors, in this case it was certainly Tassal's socio-economic power that contributed to its ability to forge an exclusive financial relationship with a respected global NGO like the WWF. The partnership between these two organisations does not clearly fall under any of the broad categories of NGO-corporate engagement outlined by Molina-Gallart: philanthropic donation, joint delivery of goods and services, or campaigning to expose harmful practices (2014: 43). It has been argued by both Tassal and the WWF that their relationship constituted a partnership in which the WWF essentially acted as sustainability consultants with the altruistic aim to assist Tassal to reduce its environmental impact (WWF 2016). Other elements of this deal counteract the suggestion that this relationship was entirely altruistic, however: in return for a substantial yearly payment, Tassal received both consultancy support as well as the exclusive rights to the use of the WWF logo in the Tasmanian aquaculture industry (Meldrum-Hanna 2016). Demand for exclusivity suggests that there is some form of commercial benefit to be obtained from association with the WWF brand. If this were not the case, the right to exclusively use the NGO's logo would not be a matter of importance and other aquaculture businesses would be able to seek out similar relationships with the WWF to that which Tassal enjoyed. In actively blocking their competitors from using the WWF logo, Tassal telegraphed its clear belief that there was some benefit in associating itself with the WWF as a central aspect of its marketing strategy.

As noted, most of the current research on eco-labelling indicates that products advertising that they were sustainably-produced were no more likely to be purchased than those with no labelling whatsoever (Borin et al. 2011). While this may be true in general terms, more specific research into the Australian market and the salmon industry suggests that eco-labelling is significantly more important in this sector. Government data shows that 90 percent of the salmon produced in Australia is consumed domestically with only a marginal amount being exported internationally; as a result, it is the attitudes of Australian consumers that are central to Tassal's business strategy and their success with consumers. A study conducted by The Australia Institute in 2017 reported that 14 percent of those surveyed claimed that concerns over the environmental impact of fish farming had stopped them buying salmon in the preceding six months (Minshull and Browne 2017: 6-7). These findings are in stark contrast to the existing literature on the impact of eco-labelling, and are central to Tassal's demand for the exclusive right to use the WWF logo. In an industry where consumers are turning away from salmon at a rate of roughly one-in-seven due to ecological concerns, being able to advertise as a partner of one of the world's most identifiable environmental NGOs is undoubtedly a competitive advantage to Tassal. If the use of this branding was solely based on Tassal's environmental credentials, there would be little issue with the company using the WWF's logo as a part of their advertising strategy; the fact that Tassal effectively paid a fee for the exclusive use of the logo is the central matter of concern, as it to some extent misrepresents a corporate relationship as a genuine endorsement of its environmental credentials.

Even more problematic than the exclusive licencing of the WWF logo by Tassal is its financial entanglements with the ASC, a subsidiary of the greater WWF organisation. Tassal became the



first aquaculture company in the world to be fully-certified by the ASC in 2014, only two years after their corporate partnership with the WWF commenced (Tassal 2014). Of the Tassal sites accredited by the ASC, its farming leases in Macquarie Harbour were among the first in June 2014 (Daume et al. 2015). ASC accreditation of these sites came in the midst of serious environmental concerns regarding the over-stocking of Macquarie Harbour, and at the same time that dissolved oxygen levels at the site were found to have dropped from 40 percent to 5 percent over the course of a year (Environment Tasmania 2017). In spite of ongoing evidence that over-stocking was negatively impacting on the environmental conditions at Macquarie Harbour, the ASC continued to re-certify these Tassal leases on several occasions through 2017 (Burgess 2017). In obtaining these re-certifications, the ASC gave Tassal several exemptions from its normal reporting requirements. As a result of these exemptions Tassal was not required to submit to comprehensive ecological monitoring, with the ASC explaining that the Tasmanian government already had strict testing requirements in place that fulfils this standard. As Environment Tasmania report, however, the monitoring system of the Tasmanian government is far less rigorous than what is required for ASC certification, requiring only ‘one “visual” survey of the farm per year, rather than sediment and water sampling’ (2017: 8). Even with these more relaxed monitoring conditions, Tassal were found on several occasions to be in breach of ASC environmental standards ranging from a failure to report weekly oxygen levels at Macquarie Harbour to the presence of bacteria in their fish stocks. Nevertheless, throughout this period the ASC continued to re-certify Tassal’s operations in spite of their failure to meet the already-lowered environmental standards required for certification.

Given the widespread concerns about the Macquarie Harbour site, questions have been raised as to why the ASC would continue to re-certify Tassal’s operation. Critics suggest that the financial relationship between Tassal, the ASC and its parent-company the WWF is at the

centre of this pressure to re-certify unsustainable fish farming. As reported by *Four Corners*, organisations are required to pay a nominal fee to auditors each year in order to review their certification; across all of its sites in Tasmania, this fee amounts to around \$125 000 per annum paid by Tassal to the ASC (Meldrum-Hanna 2016). In addition, any company using the ASC-certified logo on its products is required to pay royalties of between 0.3 percent and 0.5 percent of its sales to the ASC. For Tassal, this royalty-scheme would amount to payments of up to \$789 690 each year, bringing the total amount paid to the ASC from Tassal coming to around \$914 690 each year (Environment Tasmania 2017: 10).

While this deal had been in place since 2012, it was not until *Four Corners* planned to air the details of this payment schedule that Tassal CEO Mark Ryan formally declared it to shareholders via the Australian Stock Exchange (ASX) website; this suggests a desire on the part of Tassal to obscure the extent of its financial involvement with the WWF (Meldrum-Hanna 2016). When all figures are combined Tassal could be estimated to pay around \$1.4 million per annum to the greater WWF organisation, a substantial profit for any NGO – even one as prominent and well-supported as the WWF. Taken as a whole, the reason that the ASC was willing to continually certify Tassal’s operations in spite of environmental impact concerns and repeated breaches of its own standards begins to become clearer. The failure of ASC auditors to recognise the environmental impact of Tassal’s operations, particularly in Macquarie Harbour, can be attributed to one of two explanations: that the ASC auditors are less than capable of doing their jobs, or that the fiscal incentive presented by re-certification was so great that the WWF allowed the auditing process to be corrupted in order to continue receiving payments from Tassal.

### Is this a one-off incident? The case of the WWF and Svenska Cellulosa Aktiebolaget

While it is clear that Tassal, the ASC and the WWF each play an active role in the standing NGO-corporate partnership, it remains unclear which of these actors is ultimately responsible for perpetuating the cycle of profit-driven certification. Molina-Gallart (2014) cautions NGOs entering into fiscal relationships with corporations to be aware of the unequal power dynamic that exists in such a partnership; in doing so, Molina-Gallart accepts the standard green criminological position that environmental deviance primarily occurs as a result of corporate malfeasance. Under this model, it follows that Tassal is responsible for the corruption of the ASC-certification process by using its capital expenditure to exert pressure on the financially-dependent NGOs that it partners with. However, further exploration of the financial arrangement between Tassal and its NGO affiliates suggests this is not the case. While it is true that the payments supplied by Tassal to both the ASC and the WWF are substantial, it is also accurate that the WWF organisation is not reliant on Tassal's funding to continue operating. In terms of its revenue-sources, the WWF claims that more than 75 percent of its income is received from public donations – and only 10 percent of its revenue is derived from corporate partnerships like that which it has with Tassal (WWF 2016). With Tassal serving as only one of many WWF partner organisations, it is clear that the contribution that Tassal makes to the WWF operating fund is relatively negligible amongst the NGO's diversified revenue-streams.

It is important to note that even though Tassal's payments to the WWF are only a small percentage of its total revenue, this does not mean that the system of payment-for-endorsement is not an essential aspect of the NGO's business-model. Tassal are just one of many organisations who have entered into a corporate relationship with the WWF and, if the same fee-schedule is adopted with each of its partner companies, the overall system of paid

endorsement should be considered a significant revenue-stream. Although Tassal's relationship with the WWF is singular in the aquaculture industry, the WWF has entered into similar partnerships with major organisations around the world in return for even larger profits. A prime example of this system which predates the Tassal relationship is the NGO-corporate partnership formed in 2007 between the WWF and Swedish paper-manufacturing company Svenska Cellulosa Aktiebolaget (SCA). A much larger organisation than Tassal, with more than 4 000 employees and an annual turnover of around AUD\$2.56 billion, SCA has attracted a reputation as a leader in sustainable forestry since the late 1990s (SCA 2016). As with Tassal, SCA was certified as sustainable by another industry-body cofounded by the WWF – in this case the Forest Stewardship Council (FSC) – in January 1999; over the next twenty years, SCA has consistently passed the auditing process and renewed its FSC certification every five years (SCA 2019). Again, as with Tassal this certification process has come under considerable criticism from other environmental NGOs such as Greenpeace, who argue that the FSC is using outdated standards to audit SCA that allow it to partake in widespread de-forestation activity under the cover of an FSC certification (Tas and Rodrigues 2009).

It is not only the questionable nature of the FSC certification process that bears comparison to the case of Tassal. Just as it did with Tassal, the WWF entered into a direct corporate partnership with SCA in 2007 as a means to counter the persistent criticisms of its practices from environmental groups; this deal permitted SCA to use the WWF emblem on the packaging of one of its toilet paper brands, alongside the FSC certification logo which it had been using since 2001 (World Growth 2010). This endorsement deal with the WWF came in the midst of a concerted campaign from Greenpeace, who argued that the FSC and SCA had colluded to implement lax forestry audit standards that contributed to de-forestation in Sweden. SCA's partnership with the WWF served as a means of countering this argument, bolstering the

credibility of both the FSC certification and its own practices by casting itself as the WWF's paper-supplier of choice. The deal was not without considerable cost, with the paper company spending an estimated AUD\$18.25 million on the right to use the WWF logo (World Growth 2010).

The similarities between the SCA/WWF partnership and the Tassal deal that was formed several years later are clear: just as with Tassal, the WWF agreed to allow an organisation battling a reputation for unsustainability to use its logo for a hefty fee without taking reasonable steps to determine if its practices were indeed ecologically-sound. Essentially, the cases of SCA and Tassal prove that the WWF logo is treated as a commodity by the organisation rather than a genuine endorsement of sustainable business practice. At the very least, the impact of this corporate deal is to mislead consumers into believing that products are sanctioned by a peak environmental NGO while in reality it amounts to little more than the WWF trading on its reputation to obtain corporate sponsorship. If it is determined that use of the WWF logo in advertising would suggest to the reasonable person that a product was sustainably produced, the existence of such a deal would constitute a fraud on consumers that was in breach of most commercial standards of practice.

## CONCLUSION

While concerns regarding Tassal's sustainability credentials and its relationship with the WWF became more prominent in the wake of the 2016 *Four Corners* report on its business practices, there has been little change in the way it operates in Tasmania. As noted, over-stocking at Tassal's Macquarie Harbour farms has led to continued degradation of environmental

conditions at the site resulting in the death of millions of farmed-salmon (Galea et al. 2018). Though pressure from the scientific community led the ASC to temporarily revoke Tassal's certification in mid-2017, it was able to regain this endorsement shortly after in September 2017 (Burgess 2017). Re-certification occurred at roughly the same time that a reported 1.35 million fish died across the three major company's sites in Macquarie Harbour due to a bacterial outbreak linked to worsening environmental conditions, again calling into question the standard applied by the ASC in its certification process (Galea et al. 2018). Beyond its embattled operations at Macquarie Harbour, Tassal has begun its expansion on Tasmania's east coast in Okehampton Bay, a site that has attracted controversy due to claims by both ecologists and industry-insiders that it is unsuitable for salmon production (Meldrum-Hanna 2016). While the ASC has not yet certified the Okehampton Bay site, this is exclusively a result of its short time in operation. While the ASC typically requires a site to be established for at least 18 months before it conducts an audit, Tassal petitioned for an early audit that was conducted in July 2018 despite the site only having been open for less than a year (Leporati et al. 2018). Again, it appears that this close relationship continues to result in Tassal receiving significant exemptions from the criteria set by the ASC which may compromise its credibility as a source of environmental certification.

For an organisation like Tassal, obtaining environmental certification provides a significant competitive advantage in the market-place. As consumers become increasingly concerned with unsustainable practices in the aquaculture industry, the endorsement of third-party actors like the ASC and its parent-company the WWF also become more valuable from a marketing perspective. It is this need for certification that has fundamentally shifted the balance of power in the NGO-corporate relationship from business to the non-profit sector. In a social climate that values ecological responsibility, affiliation with recognisable NGOs like the WWF has

achieved status as a commodity worth paying for. Such is the case with Tassal who – in spite of considerable evidence suggesting that their practices are not sustainable – have been able to market itself as a global sustainability leader with the support of the ASC and the WWF (Environment Tasmania 2017). Using these endorsements as a marketing strategy is not in itself an inappropriate corporate practice, and only becomes problematic when the credibility of these partnerships come under scrutiny.

At the core of the issue regarding Tassal's use of environmental NGO labelling is the commercial relationship that it has with the ASC and the WWF. It is the contention of this article that this partnership constitutes a payment-for-endorsement scheme that is not reflective of Tassal's actual practices, particularly when considered in light of Tassal's questionable environmental credentials. The lack of connection between Tassal's practices and the WWF's affiliation with the company was admitted by a Tassal representative as recently as 2017, when they explained in an email that it was the WWF's hope that continued partnership with Tassal would encourage the company to improve its environmental practices (Baines and Aird 2017). It is clear that, when it comes to its partnership with Tassal, the WWF is compromised by commercial interests; similarly, the financial incentive of re-certifying Tassal's operations to the ASC is so great that it has become a foregone conclusion despite a breadth of evidence suggesting that the ecological impact of its current business model is getting worse, not better (Galea et al. 2018). For Tassal to advertise its business relationship with these organisations with the implication that it constitutes an independent assessment of the company's sustainability is at best misleading, and at worst perpetuates a fraud on consumers. Greater oversight of third-party certification process and the increasingly complex business of NGO-corporate partnerships is needed to avoid deceptive environmental branding in future. Without such oversight, organisations like Tassal will continue to engage in unsustainable ecological

practices, protected from scrutiny by the perception that NGOs like the ASC and the WWF have sanctioned their flawed business models.

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